GOVERNMENT OF INDIA
EXTERNAL AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:4005
ANSWERED ON:23.12.2015
India-GCC FTA
Singh Shri Bharatendra

Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) the details of the progress made on the proposed finalization of the India-Gulf Cooperation Council (GCC) Free Trade Agreement (FTA);

(b) the salient features of the said FTA; and

(c) the details of benefits to India and Indian labour, in particular, after the implementation of the FTA?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS
[GEN. (DR) V. K. SINGH (RETD)]

(a) The GCC (Cooperation Council for the Arab States of the Gulf comprising of Kuwait, UAE, Saudi Arabia, Oman, Bahrain & Qatar) is India's largest trading partner group with a trade of US$ 171 billion in the year 2013-14. About 50% of India's oil and gas needs are sourced from the GCC countries, which also host 7 million Indian nationals. The GCC's contribution to our energy security is a vital ingredient to sustain our planned GDP growth.

As per the decision taken by the Trade and Economic Relations Committee (TERC) in its meeting held in 2005, India and GCC are negotiating a Free Trade Agreement. To date, two rounds of negotiations have been held in Riyadh, Saudi Arabia on 21-22 March 2006 and on 9-10 September 2008 respectively. The third round of negotiations was to be held in 2009 in India. However, the meeting has not taken place since the GCC has deferred its negotiations with all countries and economic groups. Hon'ble Minister for External Affairs Smt. Sushma Swaraj at the 9th India-Gulf Cooperation Council (GCC) Political Dialogue held on the sidelines of the 70th UNGA in New York in September 2015 again called for the early finalisation of the India-GCC FTA and operationalization of the India-GCC Framework Agreement. Efforts are being made at various bilateral/multilateral forums for early resumption of the negotiations. Finalization of India-GCC FTA is expected to boost business and economic cooperation between the two sides.

(b) & (c) Since the negotiation on the India-GCC FTA is yet to be completed, it is not possible to give the requisite information.